



**County Administrative Office**  
**Governmental & Legislative Affairs**

**Josh Candelaria**  
Director

April 23, 2018

The Honorable Ash Kalra  
California State Assembly  
State Capitol  
Sacramento, CA 95814

Re: **AB 3087** (Kalra) – as Amended on April 17, 2018 – **OPPOSE**

Dear Assemblyman Kalra:

The County of San Bernardino must regrettably oppose AB 3087 which would create the California Health Care Cost, Quality and Equity Commission. The commission's primary role would be to set commercial payments to hospitals, doctors and other health care providers.

Establishing a rate-setting process that will unilaterally determine the payment rates to hospitals, doctors and other providers without understanding the underlying drivers of health care costs is a simplistic solution to a complex problem. California hospitals face the highest labor costs in the country, and nearly 60 cents of every dollar spent by California hospitals goes to employee wages and benefits. Further, AB 3087 does not solve the fundamental problems of the health care payment system.

California hospitals work hard to reduce costs and have long been leaders in innovative approaches to delivery system reforms, care coordination and clinical efficiencies. Because of our state's long history with managed health care and other operational and clinical efficiencies, hospital costs in the Golden State are already significantly lower than in the rest of the nation. Hospital costs today represent roughly 33 percent of all health care expenditures, down from more than 40 percent almost four decades ago.

AB 3087 has the potential to adverse impact the health care system and impact hospital services.

For these reasons, the County of San Bernardino opposes AB 3087. If you have any questions regarding the County's position, please contact Josh Candelaria, Director of Governmental and Legislative Affairs at (909) 387-4821 or [jcandelaria@sbcounty.gov](mailto:jcandelaria@sbcounty.gov).

Sincerely,

Robert A. Lovingood  
First District Supervisor  
Chairman, San Bernardino County Board of Supervisors

c: San Bernardino County Legislative Delegation

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